



State Capitol | Lansing, Michigan 48913
PH (517) 373.2413 | FAX (517) 373.5144
www.senate.michigan.gov/gop/senator/allen/

FOR IMMEDIATE RELEASE
Wednesday, March 5, 2003

Contact: Jeremy Hendges
(866) 525-5637

Allen: Taxpayers Deserve Clarification on Tax Exemptions

New term would help taxpayers take full advantage of property tax exemptions.

LANSING – The Senate Finance Committee today considered a package of bills introduced by Senate Republicans to amend various acts including the Revised School Code and General Property Tax Act to replace the term “homestead” with the term “principal residence,” Senator Jason Allen, R-Traverse City, announced.

“I am working with my colleagues to clarify the Homestead Exemption Act to allow taxpayers to take full advantage of the tax credits and exemptions that are available,” Allen said. The legislative package of bills, Senate Bills 129–136, was introduced to end taxpayer confusion between the homestead exemption and the homestead credit.

The homestead exemption is a property tax exemption, while the homestead credit is an income tax credit. All homeowners are entitled to the homestead exemption which reduces the number of school mills assessed on their property. Homeowners must qualify to claim a homestead credit, which is based on the homeowner’s income and the amount of property taxes they have paid on their property.

This legislative package would change the definition of “homestead” to “principal residence” in the homestead exemption.

“It is crucial that we work hard to make our tax code less confusing for Michigan citizens in order to ensure that they receive the proper tax credits and exemptions they are entitled,” Allen said.

Allen sponsored SB 130, a bill that would amend the Neighborhood Enterprise Zone Act and change the terms and provisions that prescribe a specific tax on facilities in a neighborhood enterprise zone.

The Senate Finance Committee voted to favorably recommend SBs 129-136. The package will now be considered by the full Senate.